

APPLICATION FOR QUALIFICATION OF WELL WORKOVER PROJECT  
AND CERTIFICATION OF APPROVAL

- I. Operator: JOHN E. SCHALK OGRID # 011996  
Address: P.O.Box 25825, Albuquerque, NM 87125  
Contact Party: Steve Schalk Phone: (505) 881-6649
- II. Name of Well: Schalk Gulf #2 API # 30-039-22351  
Location of Well:  
Unit Letter G, 1725 Feet from the north line and 1640 feet from the east line,  
Section 8, Township 25N, Range 3W, NMPM, Rio Arriba County
- III. Date Workover Procedures Commenced: 5/28/96  
Date Workover Procedures were Completed: 5/29/96
- IV. Attach a description of the Workover Procedures undertaken to increase the production from the Well.
- V. Attach an estimate of the oil and gas production rate of the Well (a production decline curve or other acceptable method, and table showing monthly oil and/or gas Production Projection) based on at least twelve (12) months of established production which shows the future rate of production based on well performance prior to performing the Workover.
- VI. Pool(s) on which Production Projection is based: Blanco Mesa Verde

VII. AFFIDAVIT:

State of New Mexico )

County of Bernalillo )

Steve Schalk

RECEIVED  
APR - 8 1997

OIL CON. DIV.  
DIST. 3

, being first duly sworn, upon oath states:

1. I am the Operator or authorized representative of the Operator of the above referenced Well.
2. I have made, or caused to be made, a diligent search of the production records which are reasonably available and contain information relevant to the production history of this Well.
3. To the best of my knowledge, the data used to prepare the Production Projection for this Well is complete and accurate and this projection was prepared using sound petroleum engineering principles.

(Name)

Agent  
(Title)

SUBSCRIBED AND SWORN TO before me this 3 day of JANUARY, 1997

Karen Johnston  
Notary Public

My Commission expires: AUGUST 26, 2000

FOR OIL CONSERVATION DIVISION USE ONLY:

VIII. CERTIFICATION OF APPROVAL:

This Application for Qualification of Well Workover Project is hereby approved and the above referenced Well is designated as a Well Workover Project pursuant to the "Natural Gas and Crude Oil Production Incentive Act" (Laws 1995, Chapter 15, Sections 1 through 8). The Oil Conservation Division hereby verifies the Production Projection for the Well Workover Project attached to this application. By copy of this Application and Certification of Approval, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that this Well Workover Project has been completed as of 5/27, 1996

35.5  
District Supervisor, District 3  
Oil Conservation Division

Date: 5/1/97

IX. NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT.

DATE: \_\_\_\_\_

WORK-OVER PROJECT - Schalk Gulf #2

On May 28, 1996 a plunger lift system was installed on the Schalk Gulf #2 to remove produced water from the wellbore more efficiently and allow for increased production.

B & R Wireline Service was used to first broach and guage the tubing and to run and set a bottom hole spring assembly. A plunger was dropped from the surface and a full control panel was installed along with a piston catcher. Third party services were released once it was determined that the plunger would surface.

Schalk Gulf #2  
Projected Production without work-over  
(Work-over completed May 1996)

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	
May	1150 January	1085 January	991 January	905 January	827 January	756 January	690
June	1141 February	1076 February	983 February	898 February	821 February	750 February	685
July	1133 March	1068 March	976 March	892 March	815 March	744 March	680
August	1124 April	1060 April	969 April	885 April	809 April	739 April	675
September	1116 May	1052 May	961 May	878 May	803 May	733 May	670
October	1108 June	1044 June	954 June	872 June	796 June	728 June	665
November	1099 July	1037 July	947 July	865 July	791 July	722 July	660
December	1091 August	1029 August	940 August	859 August	785 August	717 August	655
	September	1021 September	933 September	852 September	779 September	711 September	650
	October	1013 October	926 October	846 October	773 October	706 October	645
	November	1006 November	919 November	840 November	767 November	701 November	640
	December	998 December	912 December	833 December	761 December	696 December	635

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	
January	631 January	576 January	526 January	481 January	439 January	401 January	367
February	626 February	572 February	523 February	477 February	436 February	398 February	364
March	621 March	568 March	519 March	474 March	433 March	395 March	361
April	617 April	563 April	515 April	470 April	430 April	393 April	359
May	612 May	559 May	511 May	467 May	426 May	390 May	356
June	607 June	555 June	507 June	463 June	423 June	387 June	353
July	603 July	551 July	503 July	460 July	420 July	384 July	351
August	598 August	547 August	499 August	456 August	417 August	381 August	348
September	594 September	543 September	496 September	453 September	414 September	378 September	345
October	589 October	538 October	492 October	449 October	411 October	375 October	343
November	585 November	534 November	488 November	446 November	408 November	372 November	340
December	581 December	530 December	485 December	443 December	405 December	370 December	338

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	
January	335 January	306 January	280 January	256 January	233 January	213 January	195
February	333 February	304 February	278 February	254 February	232 February	212 February	193
March	330 March	302 March	276 March	252 March	230 March	210 March	192
April	328 April	299 April	273 April	250 April	228 April	209 April	191
May	325 May	297 May	271 May	248 May	227 May	207 May	189
June	323 June	295 June	269 June	246 June	225 June	205 June	188
July	320 July	293 July	267 July	244 July	223 July	204 July	186
August	318 August	290 August	265 August	242 August	221 August	202 August	185
September	316 September	288 September	263 September	241 September	220 September	201 September	184
October	313 October	286 October	261 October	239 October	218 October	199 October	182
November	311 November	284 November	259 November	237 November	217 November	198 November	181
December	308 December	282 December	257 December	235 December	215 December	196 December	179

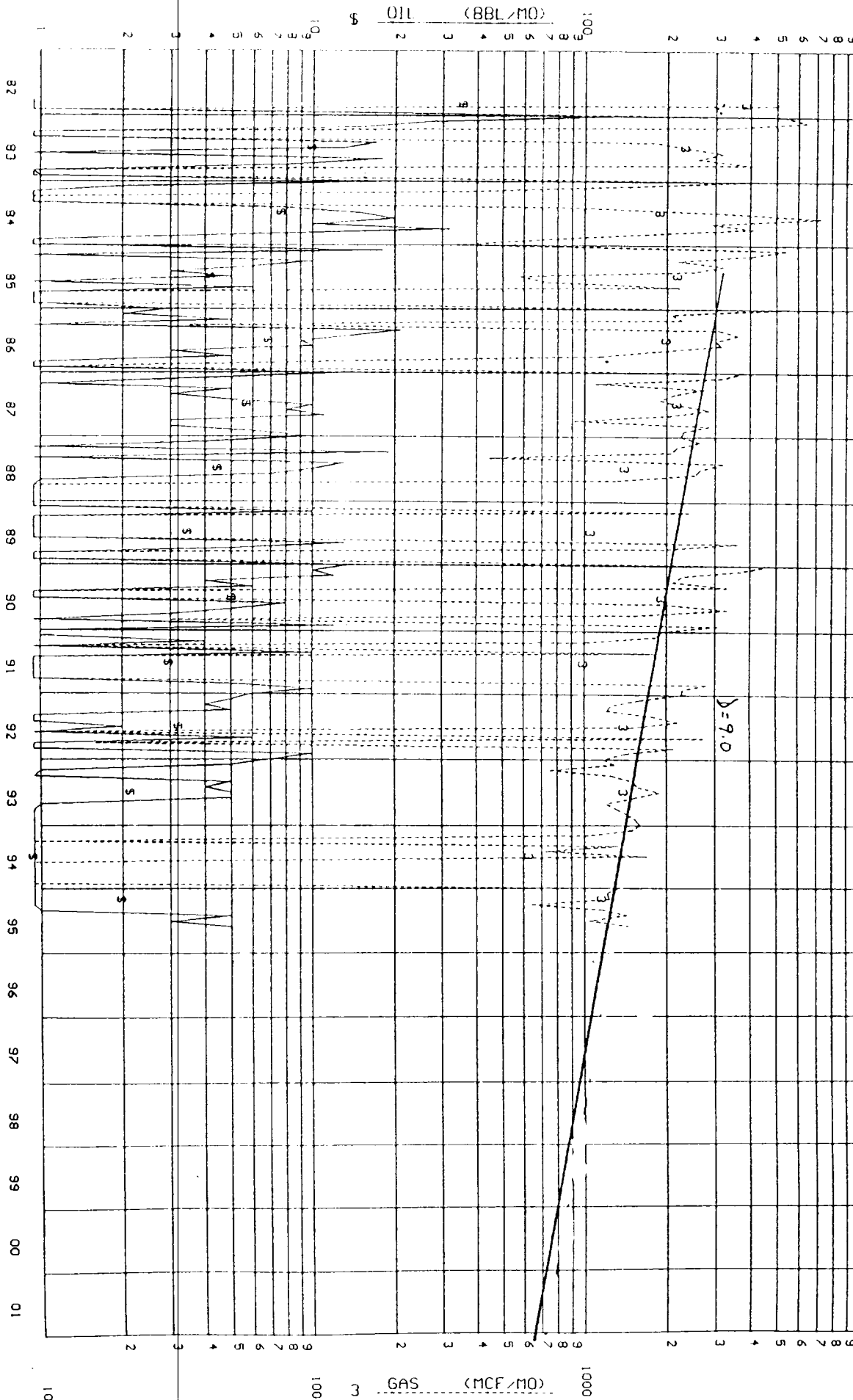
Lease: SCHALK GULF

000002

Dwights

Retrieval Code:

251,039,25N034086000U



County: Q10 ARRIJA  
Field: BLANCO (MESAVERDE) MU  
Reservoir: MESAVERDE  
Operator: SCHALK JOHN E  
Oil Cum: 832 Gas Cum: 250558  
Location: BG 25N 34E

State: NM

Date: 09-87

HISTORICAL